QUARTERLY REPORT

DECEMBER 2024 QUARTER

BATHURST.CO.NZ

$27.5m
Consolidated first half EBITDA

$141m
Consolidated cash including restricted short-term deposits

$45m-$55m
FY25 consolidated EBITDA guidance lowered

CEO's Comments

I am pleased to report that Bathurst's first half consolidated EBITDA of $27.5m was ahead of forecast. Delivered under challenging operating conditions for our export segment, particularly with the extended closure of the Tawhai Tunnel adversely impacting shipments, this was a significant achievement for the company. As a result, Bathurst has been able to maintain a strong consolidated cash position which, including restricted short-term deposits, totalled $141m at 31 December.

While H1 FY25 consolidated EBITDA was ahead of forecast, the result was down by $0.7m when compared to H1 FY24. The decrease is primarily a result of the reduced earnings from our export segment. Despite maximising our road freight plan while the Tawhai Tunnel was being repaired, the reduced export sales volumes coupled with a weakened HCC benchmark price, impacted our overall performance.

The decrease in the HCC benchmark price throughout H1 FY25 is also expected to have a negative impact on our full year export earnings. As a result, we have decided to downgrade our full year consolidated EBITDA guidance to $45m-$55m, a reduction of $10m. Further information on this can be found on page 5.

At a time when our export segment faced operational and market challenges, our North Island and South Island domestic segments were able to deliver positive results, financially and operationally.

Rotowaro continues to make substantial progress and is advancing forward in the stripping phase of the Waipuna West Extension pit. This has seen significant increases in overburden removal and 2.2 million bcm has been moved in the first half of the year, which has been achieved while also doubling coal production when compared to the corresponding period in FY24.

Pleasingly, Takitimu has also outperformed the forecast for overburden removal, coal production and sales.

The HCC benchmark was relatively stable during the second quarter, averaging USD $198/t, before dropping below USD $190/t at the end of the quarter. The NZD:USD exchange rate also dropped during the quarter, which has partially offset the reduction in the HCC benchmark pricing.

In January, KiwiRail, as the infrastructure owner, finalised the repairs and reopened the Tawhai Tunnel on the rail line from the Stockton mine to Lyttleton port. The tunnel has been closed since June following failures in the tunnel lining. While the road freight plan has enabled operations to continue at the Stockton mine, and meant the retention of all workers, it resulted in reduced freight capacity and increased freight costs per tonne. Rail services were reimplemented on 13 January and the Stockton mine will increase to a 7 day a week rail schedule until the end of June 2025 to fulfil export customer shipments.

In other good news for the company, during December 2024 we announced that the Fast Track Approvals Bill had passed its third reading and was enacted in Parliament. This is great news, not only Bathurst, but also for numerous industries planning projects and developments in New Zealand. Both the Buller Plateaux Continuation Project (Export) and the Rotowaro Continuation Project (North Island Domestic) were previously accepted as projects of regional or national benefit and listed on Schedule 2 of the Fast Track Approvals Bill. The purpose and expectation of the new legislation is that listed projects will be processed in a shorter statutory timeframe.

EBITDA is a non-GAAP reporting measure and reflects earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

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Export Market Update

The HCC price hovered just above USD $200/t for much of the December quarter before dropping below US$190/t late in the quarter. The drop was a driven by reduced demand as steel prices dropped and uncertainty around the Chinese market increased.

With limited options due to ongoing sanctions, Russian coal producers continue to offer discounted pricing into the Indian and Chinese markets, which continues to limit any upside pricing. It is expected that India will continue to capitalise on the discounted Russian coal and will look to increase their use in the coal blend, if possible, at the expense of more expensive seaborne coals, noting also India can use more second tiler HCC due to the stamp charge plants.

With the change in the US Government in January, it is expected China will come under further economic pressure if US tariffs are added to Chinese imports into the US, potentially pushing top tier HCC pricing down further and leading to further dumping of steel into other markets. As a result, the Chinese Government may look at further stimulus to help boost confidence and economic activity in 2025.

In the very near term, it is unlikely there will be any significant upside in pricing with most buyers currently well stocked ahead of the Lunar New Year holidays and taking a wait and see approach given the uncertain market, and low steel demand fundamentals. However, into the medium to long term, demand for coking coal is still expected to increase as more steel and coke plants come online over the next 5 – 10 years especially in India who continue to aim for significant steel growth targets.

Performance Metrics

December quarter	Export 100%	NID 100%	SID 100%	Q2 FY25 BRL equity share	Q2 FY24 BRL equity share
Production (kt)	191	161	67	**296**	**263**
Sales (kt)	159	129	76	**264**	**338**
Overburden (Bcm '000)	1,276	3,021	262	**3,056**	**2,668**
Coal sales revenue ($'000)	51,586	20,698	14,427	**61,412**	**74,699**

December YTD	Export 100%	NID 100%	SID 100%	H1 FY25 BRL equity share	H1 FY24 BRL equity share
Production (kt)	395	290	113	**558**	**544**
Sales (kt)	314	270	120	**500**	**597**
Overburden (Bcm '000)	2,773	5,361	478	**5,765**	**4,440**
Coal sales revenue ($'000)	102,133	43,950	22,560	**117,514**	**134,951**

Health, Safety and Environment

There were two lost time injuries recorded across out operations for the quarter, both at the Rotowaro mine. A machine operator strained their shoulder whilst accessing a bulldozer, and a machine operator developed an eye irritation from dust within a machine cab.

One of the key initiatives for this quarter has been the comprehensive identification and assessment of maintenance tasks performed on powered equipment, particularly where there is a potential risk of injury to maintenance personnel.

This project, led by our Statutory Mechanical Superintendents, is guided by the application of the Hierarchy of Controls framework to systematically identify, assess, and mitigate risks associated with working on energised equipment. The primary focus is on eliminating risks at their source wherever feasible, in alignment with best practices and legislative requirements. This proactive approach underscores our commitment to fostering a safer work environment by prioritising hazard elimination and minimising exposure to risks through robust engineering and administrative controls.

British Columbia Projects

Tenas Coking Coal Project

Since acquiring the assets of the Tenas Coking Coal Project in December 2023, the project has been advancing as planned. At the end of FY24 we executed a Project Assessment Agreement (PAA) with First Nations. This is a significant milestone and will help us advance our Environmental Application and move a step closer to receiving the required permits and achieving our anticipated production in FY26.

More information regarding the Tenas project can be found in our ASX releases of 5 September 2023 and 22 December 2023.

Crown Mountain Project

A consent agreement was executed with key indigenous nations in early 2023.

In 2024, the project's Environmental Impact Statement (EIS) and Environmental Assessment Application (EA) passed the Impact Assessment Agency of Canada's conformity review process. This allows the project to proceed to the next regulatory phase, which is the EIS review phase.

Bathurst's equity share remains at 22.1 percent of the metallurgical coal project.

Fast Track Approvals Bill

During December the Fast Track Approvals bill passed its third reading and into legislation in Parliament.

The Fast-Track Approvals Bill was part of the coalition agreement between National, New Zealand First and Act and will allow projects that gain fast-track listing to be processed in shorter statutory timeframes than under the existing planning regime. Additionally, projects can apply for multiple approvals at the same time in one streamlined application.

There are currently 149 projects listed as part of the Bill and include infrastructure projects, housing developments, renewable energy projects, and mining projects. The mining projects on the list will support the Government's aim to double the value of mineral exports to $2 billion by 2035 of which Bathurst will be included.

Consolidated FY25 EBITDA Guidance $45M - $55M

	Metric	Export 100%	NID 100%	SID 100%	Telkwa 100%	BRL equity share
Sales	kt	1,034	592	228	-	1,285
EBITDA	NZD	$52.7m to $68.1m	$11.0m	$4.6m	-$1.0m	$45m to $55m

Key guidance assumptions

FY25 consolidated guidance is downgraded to $45m to $55m following reductions to the HCC benchmark price.

Forecast export sales pricing is indicatively based on an annual average HCC benchmark of USD $220/t for Q3 and USD $230/t for Q4 at $0.60 NZD:USD across all sales types including thermal coal sales.

Consolidated EBITDA includes corporate overheads for BT Mining in NID and Bathurst in SID.

Export (65% Equity Share): $34.3m **Previous guidance: $48.9m**

Revenue decreased by due to:

- A decrease in the full year forecast average price received per tonne of $234/t versus a budget of $269/t.
- Reduction in export sales volumes of 47,000 tonnes due to shipping plan changes following the closure of Tawhai tunnel.
- The decreased sales revenue above is partially offset by increased hedging revenue.

Costs have decreased due to:

- Decreases in fuel prices. The average price over the second half of 2025 is forecast to be $0.10/litre lower than the budgeted input for FY25 mine operating costs. Additionally, fuel volumes are forecast to reduce due to slightly lower machine hours.
- Higher than budgeted contractor costs related to increased contractor overburden removal as well as increased contractor blasting costs to achieve increased overburden targets.
- Increase in coal stockpiles following changes to the shipping plan as well as increased production volumes.
- A reduction in net freight costs as the road freighting plan ends and normal rail freight resumes following the reopening of the Tawhai Tunnel.

NID including BT Mining corporate overhead costs (65% Equity Share): $7.2m **Previous guidance: $3.7m**

- Sales volumes have increased at the Rotowaro mine, however these are offset by a reduction at the Maramarua mine.
- Increases to labour costs following the successful recruitment of additional operators and contracted increases to wage rates.
- Fuel costs have decreased with a forecast decrease in fuel prices versus the budgeted input price, which is partially offset by increased volumes required to achieve stripping and production volumes and higher haul distances.
- Updates to the mine plan and stripping sequencing in the new pits will allow increased capitalisation of stripping costs across second half of the year.

SID including BRL corporate overhead costs (100%): $4.6m **Previous guidance: $3.3m**

- Increased sales volumes tied with increased sales values from higher than planned price escalation.
- Costs have increased and partially offset the increased revenue, with increased health and safety consultant costs and professional fee costs associated with the Fast-Track application. Fuel and mining costs also increased at the Takitimu mine due to increased production required to meeting additional forecast sales tonnes.

Telkwa Project (100%): -$1.0m **Previous guidance: -$0.8m**

- Operating costs incurred as the mine progresses with the required permit applications.

Consolidated Cash Movements

		Q1	Q2	H1 FY25	H1 FY24
	Consolidated opening cash	**140.7m**	**139.0m**	**140.7m**	**163.1m**
Operating	Consolidated EBITDA	8.6	19.6	27.5	28.2
	Working capital	3.3	5.4	9.4	5.9
	Canterbury rehabilitation	(0.2)	(0.1)	(0.3)	(0.1)
	Corporation tax paid	-	(0.4)	(0.4)	(42.5)
Investing	Deferred consideration	(0.2)	(0.3)	(0.5)	(0.5)
	Crown Mountain Project	-	(0.8)	(0.8)	(0.5)
	Property, plant and equipment net of disposals	(2.5)	(1.9)	(4.4)	(10.1)
	Mine assets including capitalised stripping	(11.1)	(15.9)	(27.0)	(12.7)
Financing	Finance lease repayments	(1.7)	(1.5)	(3.2)	(2.2)
	Financing income	2.1	1.2	3.3	3.2
	Consolidated closing cash	**139.0m**	**140.7m**	**140.7m**	**131.8m**

Consolidated EBITDA
EBITDA decreased from H1 FY24, which has been driven by reduced export sales volumes due to the tunnel failure on the rail line from the Stockton mine to Lyttleton port. Refer to the following page for EBITDA commentary.

Working capital
The timing of sales, and in particular export shipments has resulted in an increase in coal stockpiles when compared to H1 FY24.

Corporation tax paid
Decrease in corporation tax paid which reflects the timing of tax obligations on increased taxable operating profits and income tax obligations from FY24.

Deferred consideration
Payments for the year consisted of royalties on Takitimu mine sales.

Crown Mountain Project
Funds are paid on a proportional project equity ownership basis and were used to progress the environmental application. The timing of progress payments meant that there were none made in Q1.

Mining development including capitalised stripping
Spend has increased from the prior year comparative period due to the increased mine development costs and capitalised stripping in the Waipuna West extension at the Rotowaro mine as well as the continued development of the Tenas project assets in British Columbia.

Financing income/(costs)
Interest received on cash balances and deposits held.

YTD Consolidated EBITDA v Prior Year

EXPORT equity share (65%) $25.0m (H1 2024 $30.6m)

Revenue has reduced due to:

- Reduced sales tonnes of 180kt for the half versus prior the comparative period (PCP) due to reduced trucking freight capacity during the Tawhai Tunnel closure and repair.
- A reduction in the HCC benchmark price has meant the average price received per tonne was NZD $274 versus NZD $294 in the PCP.
- However, our hedging strategy has meant that the average price received including hedging income was NZD $325 per tonne versus NZD $273 in the PCP.

Costs have increased because of:

- Increase in repairs and maintenance costs which is linked to an increase in machine hours required to achieve higher stripping volumes across the pits at Stockton as well as the timing of component replacement on machinery.
- Significantly increased freight costs due the road freight plan implemented while the Tawhai Tunnel undergoes repairs.
- The cost of fuel has reduced from FY24, which has partially been offset by an increase of machine hours and fuel volumes.
- Employee profit share and sales commission expense has reduced as they are influenced by revenue which has reduced due to lower sales volumes. This is partially offset by increased labour costs associated with increased headcount required to undertaken increased overburden removal.
- Explosive costs have increased, which was driven by increased drill and blast activities required for increased overburden removal. Contractor costs related to overburden removal and civil works has also increased.
- The cost of third-party coal purchases has decreased as the cost is also linked to the HCC benchmark price.

NID including BT corporate overheads equity share (65%) $1.5m (H1 2024 -$2.4m)

- Increased sales volumes of 55kt have helped increase revenue by $8m.
- Direct costs of mining including fuel, contractors, repairs and maintenance, drill and blast costs and equipment hire have all increased due to the increased stripping volumes, particularly at the Rotowaro mine.
- Labour costs have increased due to a combination of contracted increases in labour rates, and additional headcount required for increased stripping volumes.

SID including BRL corporate overheads (100%) $1.6m (H1 2024 $0.1m)

- Sales volumes and have slightly decreased, however an increase to the average price received per tonne has led to increased revenue.
- Production has also decreased due to slightly lower sales volumes and the pit design.
- Direct costs of mining were in line with the PCP. Reductions in fuel costs were offset by slightly higher repairs and maintenance costs and labour costs linked to increased overburden removal.

Telkwa – Tenas Project (100%) -$0.7m (H1 2024 -$0.1m)

- Operating costs incurred as the mine progresses with the required permit applications. The PCP was not for a full 6-month period as the asset was acquired in December 2023.

Quarterly Operations Review

Export (Stockton) (65%)

There were four export shipments in the quarter, with sales totalling 159kt. The sales were behind the forecast due to changes to the shipping plan.

The road freight plan implemented while the Tawhai Tunnel is being repaired following its failure in June was completed at the beginning of January and normal rail freight resumes going forward.

Average price per tonne ("/t") excluding hedging was NZD $252/t, which was NZD $38 lower than forecast. The average benchmark price has dropped, moving from USD $230/t in Q1 2025 to USD $198/t in Q2 2025.

Overburden removal was behind plan in Q2 as additional stripping was undertaken in Q1.

Production in the quarter was ahead forecast, which was driven by additional stripping undertaken during the previous quarter.

North Island Domestic (65%)

Rotowaro

Production levels were 32kt higher than forecast for the quarter due to increased production in the Waipuna West pit. Additional reserves in the Waipuna West pit enabled a revised mining schedule.

Overburden was behind to allow additional stripping and production in the Waipuna West pit which meant a reduced focus on stripping in the Waipuna West Extension pit. There was also unplanned maintenance required on an excavator during the quarter.

Sales of 90kt were 4tk behind of forecast for the quarter due to maintenance on the rail line, however the year to date sales were 2kt ahead of plan.

Maramarua

Production was 5kt higher than forecast for the quarter, and 4kt ahead of plan year to date.

Overburden volumes were behind forecast and were impacted by workforce vacancies. Training of newly recruited operators is underway which will enable increased overburden levels going forward.

Sales volumes were in line with the forecast for the quarter.

South Island Domestic (100%)

Takitimu

Production was slightly ahead of plan as coal winning was prioritised to enable increased stockpiles while also enabling increase in sales during the quarter of 9kt. Production is 12kt ahead of plan year to date, and sales are 11kt ahead of plan.

Overburden removal was ahead of plan for the quarter which has enabled the increase in rehabilitation work at the mine.

Exploration (Equity Basis)

$1.0m consolidated spend across projects for Q2. Key work consisted of:

- Mine planning costs for the Rotowaro extension project.
- Mine planning costs for the Buller extension project.
- Rehabilitation studies at the Stockton mine.
- AMD and water management studies at the Stockton mine.

Development (Equity Basis)

$9.7m consolidated spend across projects for Q1, with key spend on:

- $8.7m on capitalised stripping from operating mine pits. Particularly at the Stockton mine and in the Waipuna West Extension pit at the Rotowaro mine.
- Costs associated with the Fast Track Approvals submissions.
- Drilling and assessment work at the Rotowaro mine.
- Water management, AMD studies and baseline studies at the Stockton mine.

Corporate

Shareholdings

Substantial holder & geographical location	Shareholding %
Republic Investment Management (Singapore)	20.5%
Talley's Group Limited (New Zealand)	10.7%
Crocodile Capital (Europe)	9.0%
Ching Seng Chye (Singapore)	5.9%
Asia	24.8%
Europe	10.0%
New Zealand	5.8%
Management	3.0%
Australia	7.2%
Other	3.1%
Total	**100%**

This document was authorised for release on behalf of the Board of Directors on 28 January 2025.

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Unless otherwise noted, all dollar amounts referred to in this report are in New Zealand dollars.

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At 21 January 2025:

Share price: AUD $0.74

Issued Capital: 193.2m ordinary shares

Market Capitalisation: AUD $143.0m

Chief Executive Officer

Richard Tacon

Board of Directors

Peter Westerhuis – Non-executive chairman

Richard Tacon – Executive director

Francois Tumahai – Non executive director

Russell Middleton – Executive director

Company Secretary

Larissa Brown